

**BEFORE THE INSURANCE COMMISSIONER**  
**OF THE STATE OF UTAH**

**IN RE THE APPLICATION OF:**

**MAEGAN E. STAHELI**  
231 North Redrock Drive  
Washington, Utah 84780  
  
License Pending

**ORDER ON HEARING**  
(Formal Hearing)

DOCKET No. 2015-055-LC  
Enf. Case No. 3616

**Mark E. Kleinfield,**  
Presiding Officer

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**STATEMENT OF THE CASE**

**THIS MATTER** concerning whether the Applicant should be issued a Resident Producer Individual license came on to be heard before the Commissioner of the Utah State Insurance Department ("*Department*") on Tuesday, May 26, 2015 at 3:00 o'clock P. M. Mountain Time, with Mark E. Kleinfield, Administrative Law Judge, serving as designated Presiding Officer.

Said hearing being held at the Department's offices, Utah State Office Building, Alta Room, Salt Lake City, Utah 84114, having been convened at the designated time of 3:00 (3:11) P. M., May 26, 2015 and adjourned at 4:28 P. M. on said same day.

**Appearances:**

Gary D. Josephson, Assistant Attorney General, State of Utah, Heber Wells State Office Building, Salt Lake City, Utah 84114.

Maegan E. Staheli, Applicant, *pro se*.

**By the Presiding Officer:**

Pursuant to an May 12, 2015 "*Notice of Conversion to Formal Proceeding and Notice of Hearing*" a hearing was conducted on May 26, 2015 in the above-entitled proceeding.

The Applicant was present at that time.

The hearing was convened and conducted as a **formal hearing** in accordance with Utah Code Ann. Sections 63G-4-204, 63G-4-205, 63G-4-206, 63G-4-207 and 63G-4-208 and Administrative Rule R590-160-6.

**ISSUE, BURDEN and "STANDARD OF PROOF"**

1. The basic issue(s) in this case is (are):

a. Was Applicant's application for a Resident Producer Individual license improperly denied?

b. Has the Applicant presented sufficient evidence to show that the Department's denial was not justified on the record?

c. Has the Applicant presented sufficient evidence that would justify the reversal or modification of such denial?

(SEE also Paragraph 2 under *DISCUSSION-ANALYSIS*.)

2. The "*burden of proof*" or "*burden of going forward*" in this case as to the above issue(s) is on the Applicant.

3. As per Utah Administrative Code Rule, R590-160-5(10) as to the above and foregoing "issue(s)" or "question(s)" to be answered the "*standard of proof*" as to issues of fact is to be proven by a "*preponderance of the evidence*".

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The Department gave a brief opening statement. The Applicant first reserved then combined her opening statement with her testimony.

Thereafter, evidence was offered and received.

### **SUMMARY OF THE EVIDENCE**

#### **Witnesses:**

##### **For the Department:**

Randall Overstreet, Director, Producer Licensing Division, Utah Insurance Department, State Office Building, Room 3110, Salt Lake City, Utah 84114.

##### **For the Applicant:**

Maegan E. Stheli, Applicant.

Both of whom were sworn and testified.

#### **Exhibits:**

##### **The Department offered the following exhibits:**

Department Exhibit No.s 1 and 3 through 13. (SEE FILE).

(No objection being made which Exhibit No.s 1 and 3 through 13 were accepted and entered. The Hearing Officer on his own motion excluded Exhibit No. 2.)

##### **The Applicant offered the following exhibits:**

1. An undated letter from Patrick K. Baker, State Farm Insurance, St. George, Utah.

(No objection being made which was accepted and entered.)

Additionally the Presiding Officer took judicial notice of the files and records of the Department particularly the Applicant's April 6, 2015 application; UCBI/FBI report; the Department's April 21, 2015 denial letter and Applicant's request for hearing.

Argument followed.

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The Presiding Officer being fully advised in the premises and taking administrative notice of the files and records of the Department, now enters his *Findings of Fact, Conclusions of Law, and Order*, on behalf of the Department:

## **FINDINGS OF FACT**

**I, find by a preponderance of the evidence, the following facts:**

### *Preliminary-Procedural Facts* (Paragraphs 1-7)

1. The Utah Insurance Department (“Department”) is a governmental entity of the State of Utah. The Department as per Utah Code Ann. Section 31A-2-101 is empowered to administer the *Insurance Code*, Title 31A, Utah Code Ann., 1953, as amended.

2. The Applicant, Maegan E. Staheli:

a. is a resident of the State of Utah and maintains a present residence of

231 North Redrock Drive, Washington, Utah 84780; and

b. was previously licensed by the Department to conduct or be engaged in some capacity in the insurance business in the State of Utah apparently as an adjuster and or producer while the record is not precise although the record is clear that at present the Applicant is not licensed in either or capacity.

3. The Applicant on or about April 6, 2015 filed her application with the Department for issuance of a “*Resident Producer Individual License*”. (SEE Administrative file.)

4. The Department on or about April 21, 2015 in writing denied Applicant's application for “one or more of the following reasons”:

UCA Section 31A-23a-107 - failure to meet the character requirements for licensing;

UCA 31A-23a-111(5)(b)x(iv) – convicted of a felony.

UCA 31A-23a-111(5)(b)(ix) – providing incorrect, misleading, incomplete, or materially untrue information in the license application.

UCA 31A-23a-105(2)(b)&(c) – failure to report at the time of filing the license application a criminal prosecution taken against you.

UCA 31A-23a-111(5)(b)(iv) – failure to pay final judgment rendered against you in this state.

UCA Section 31A-23a-111-5(b)(i) – unqualified for a license; and

5. That included in said denial were instructions informing Applicant of the right to an “*informal hearing*” if a timely request is made in writing within fifteen (15) days.

6. The Applicant filed a timely “*request for hearing*” with the Department. (SEE Administrative file.)

7. That based on the preliminary facts as set forth in Paragraphs 1 through 6, immediately above, through means of a May 12, 2015 “*Notice of Conversion to Formal Proceedings and Notice of Hearing*”, *sua sponte*, mailed to the Applicant at her referenced address this present formal hearing was set for May 26, 2014 at 3:00 P. M. Mountain Time.

*Operative Facts*  
(Paragraphs 8 -9)

8. The Applicant is a resident of the State of Utah.

9. The Applicant:

a. has been convicted or plead guilty to numerous criminal matters ranging from Class “B” Misdemeanors (July 2014, Exhibit No. 5) to recent felony matters (January 2014, Exhibit No. 7) as well as numerous contacts with the court system due to drug issues (January 2014, Exhibit No. 8). See also Exhibit No.s 9 and 10. (SEE FILE); and

b. as of the present hearing had four (4) outstanding civil judgment unpaid in excess of 60 days in the amounts of \$282.00 (Exhibit No. 6), \$2,093.63 (Exhibit No.11), \$524.52 (Exhibit No. 11) and \$536.00 (Exhibit No. 13) or in excess of \$3,400.00.

## **DISCUSSION-ANALYSIS**

(Paragraphs 1-8)

1.a. Both the Applicant and the Department in large measure while advocating **clearly** different characterizations or interpretations and import of the above referenced operative facts in substance concurred as to the basic *chronology* and **core** facts.

b. The record now being complete sets forth competent and credible evidence for the entry of the following analysis.

2. The question(s) presented is:

a. “Whether the Applicant has presented sufficient evidence to show that the Department’s April 21, 2015 letter of denial of the Applicant’s April 6, 2015 application for licensure as a “*Resident Producer Individual*” was not justified on the record?”;

b. “Whether the Applicant has presented sufficient evidence that would justify the reversal of such April 21, 2015 denial?”; and

c. “Whether as per U. A. C. Rule, R590-160-5(10) as to each of the above and foregoing “issues” or “questions” the Applicant has so shown such evidence by a “*preponderance of the evidence*” sufficient to carry Applicant’s burden of proof?”

3. Primary Applicable Pertinent Statutes, Administrative Rules and Precedent are as follows (although others may be otherwise specifically cited within the body of this “Order on Hearing”):

Section 31A-23a-107, Utah Code Ann., reads as follows:

**“31A-23a-107. Character requirements.**

Each applicant for a license under this chapter shall show to the commissioner that:

(1) the applicant has the intent in good faith, to engage in the type of business that the license applied for would permit;

(2) if a natural person, the applicant is competent and trustworthy; or, if the applicant is an agency, all the partners, directors, or principal officers or persons having comparable powers are trustworthy, and that it will transact business in such a way that all acts that may only be performed by a licensed producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary are performed exclusively by natural persons who are licensed under this chapter to transact that type of business and designated on the agency's license;

(3) the applicant intends to comply with Section 31A-23a-502; and

(4) if a natural person, the applicant is at least 18 years of age.”

4. a. While the criminal track record is of great concern the outstanding over \$3,400.00+ monetary judgments equally gives grave concern and quite bluntly presents an almost absolute impediment to issuance of a license to this or any comparable Applicant at the present time. For insurance is a matter of trust dealing with individuals' financial well-being in the final analysis.

b. Applicant to some degree tenders the commonly heard position that “*I (she) have changed or I am not the same person as before or I was a victim of circumstances.*”

5. What the Presiding Officer is faced with though even if he had a degree of empathy with the Applicant is the almost **absolute** direction from the state legislature that an individual delinquent as to paying one's civil judgement obligations cannot be issued a state sanctioned license of any nature. Here with such a long negative track record and substantial amount presently due makes even a probationary license (which the Applicant plead for) let alone a full-fledged non-restrictive producer license a “non-starter”. In addition the Applicant's criminal record within the past five (5) years appears extensive with as recently as the entrance of a guilty plea to Theft By Receiving Stolen Property on

July 23, 2014 or less than nine (9) months prior to the filing of her April 6, 2015 application being present.

6. a. Without belaboring Applicant's history it is a basic pre-requisite to work in any capacity in any profession or occupation or business venture, especially the insurance business that the characteristic of trustworthiness becomes **the** prime character qualification of Section 31A-23a-107, U. C. A., for all other characteristics requisite to engage in the insurance industry for the protection of the public interest of necessity flow from it.

b. To her credit the Applicant did not over play the victim plea and did relatively freely and fully own up to her past and present difficulties. It is by almost legislative *fiat* in the present instance as well as the application of common sense in reviewing Applicant's recent criminal difficulties that handcuffs the Presiding Officer from doing anything but affirming the Department's April 21, 2015 denial.

7. The Department in licensing the Applicant or any individual in comparable circumstances to the Applicant would be breaching its responsibilities to the public.

8. a. The Presiding Officer can only look at and weigh the **present** evidence before him.

b. Here in the **present** instance the burden is/was on the Applicant to:

i. **Present** sufficient evidence to show that the Department's denial was not justified on the record; and

ii. **Present** sufficient evidence that would justify the reversal or modification of such denial.

c. This the Applicant has failed to do.



d. The Applicant's April 6, 2015 application was properly denied based on the record before the Department.

**BASED ON THE ABOVE AND FOREGOING FINDINGS OF FACT** and discussion-analysis the Presiding Officer enters the following:

**CONCLUSIONS OF LAW**

1. The Applicant's failure to pay four (4) outstanding civil judgements in addition to her repeated and ongoing contacts with the criminal justice system creates an **irrebuttable** presumption as to Applicant's inability to meet the character qualification requirement of UCA Section 31A-23a-107.

2. The Applicant does not meet the character qualifications for licensing outlined in Section 31A-23a-107, UCA, 1953, as amended.

3. The issuance of a "*Resident Producer Individual*" license would be in contravention of the intent and purpose of Section 31A-23a-107, UCA , which based on "Conclusions of Law" No.s 1 and 2, immediately above, the Department in the practice of good public policy and the protection of the public welfare cannot at this time do.

4. The Department's "*letter of denial*" under date of April 21, 2015 should be affirmed.

5. The Applicant's April 6, 2015 application for licensure as a "*Resident Producer Individual*" should be denied.

**AND BASED ON THE ABOVE AND FOREGOING CONCLUSIONS OF LAW** the Presiding Officer enters the following:

## **ORDER**

**WHEREFORE, IT IS ORDERED that:**

1. The Department's "*letter of denial*" under date of April 21, 2015 is **affirmed**;  
and
2. The Applicant's April 6, 2015 application for licensure as a "*Resident Producer Individual*" is **denied**.

**DATED and ENTERED** this 28 day of May, 2015.

**TODD E. KISER,  
INSURANCE COMMISSIONER**



A handwritten signature in cursive script, reading "Mark E. Kleinfeld".

MARK E. KLEINFELD  
ADMINISTRATIVE LAW JUDGE and  
PRESIDING OFFICER

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State Office Building, Room 3110  
Salt Lake City, Utah 84114  
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Facsimile: (801) 538-3829  
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## **ADMINISTRATIVE AGENCY REVIEW**

Administrative Agency Review of this Order may be obtained by filing a Petition for Review with the Commissioner of the Utah Insurance Department within thirty (30) days of the date of entry of said Order consistent with Utah Code Ann. Section 63G-4-301 and Administrative Rule R590-160-8.

**Failure to seek agency review shall be considered a failure to exhaust administrative remedies.**

(R590-160-8 and Section 63G-4-401)

## **JUDICIAL REVIEW**

As an **“Formal Hearing”** after agency review judicial review of this Order may be obtained by filing a petition for such review consistent with Utah Code Ann. Section 63G-4-403.


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CERTIFICATE OF MAILING

The undersigned certifies on this date, a true and correct copy of the forgoing ORDER ON HEARING was mailed, postage prepaid, to the following:

**Maegan Staheli**  
231 N. Redrock Dr.  
Washington, UT 84780

DATED this 29<sup>Th</sup> day of May, 2015

  
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LINDA HARDY  
UTAH INSURANCE DEPARTMENT  
STATE OFFICE BUILDING, ROOM 3110  
SALT LAKE CITY, UT 84114-6901